



U.S. Department of Housing and Urban Development
New York State Office
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New York, New York 10278-0068
<http://www.hud.gov/local/nyn/>

OCT 12 2011

Ms. Annette Wright
Chairperson
Freeport Housing Authority
Three Buffalo Avenue,
Freeport, NY 11520

Dear Ms. Wright:

SUBJECT: Executive Director Position
Assignment number: 11-10031149 & 11-08221458

This letter is in regard to the on-going management situation at the Freeport Housing Authority (FHA). The FHA has been without a permanent Executive Director since February 1, 2011. We recently received a letter from the FHA's counsel, dated August 11th, requesting a waiver so that the FHA could appoint you as Executive Director. Upon receiving this request, our Office scheduled a review to determine whether the FHA's procurement efforts were in accordance with HUD regulations.

On September 6, 2011, Steve Savarese and Suen-Ping Yip of my staff met with you and the Authority's legal counsel, Ms. Angelyn Johnson, to go through the procurement documentation related to the hiring of the Executive Director.

During the review, my staff could not locate any documentation on the pre-solicitation of the position. The pre-solicitation documents include, but are not limited to, the following:

- Independent Cost Estimate (ICE),
- Individual Procurement Plan
- Rationale for Contract Method (if not apparent)
- Rationale for Contract Type (if not apparent)
- Evaluation Plan

In addition, the time period for solicitation was not sufficient to achieve effective competition. In accordance with HUD Handbook 7460.8 REV 2, Procurement Handbook for Public Housing Agencies, dated February 2007, paid advertisements should generally be run not less than once each week for two consecutive weeks. My staff informed you and Ms. Johnson that the Authority must cancel the Request for Proposal (RFP) and re-advertise the position. The Authority is also required to notify the applicants of the cancellation of the RFP and the re-advertising of the position.

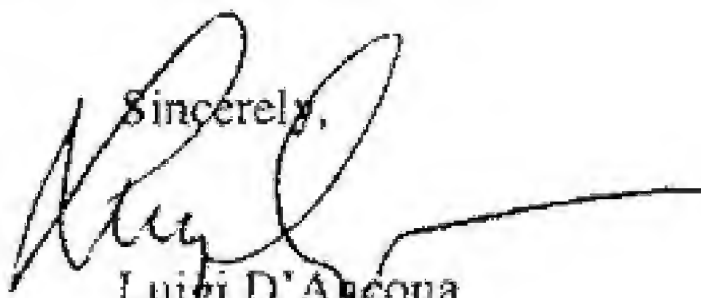
Based on this limited review, we have concerns regarding the FHA's overall handling of its procurement responsibilities. As such, we request the following documentation be submitted to our Office within 30 days of the date of this letter:

- A copy of any contracts including the professional services that were executed after December 2010;
- A copy of the Board meeting minutes from December 2010 to September 2011;
- A copy of the Lindsey system's Account Payable Check Register Report from December 2010 to September 2011

We find that the FHA has not demonstrated good cause for waiving the conflict of interest provisions of 24 CFR 982.161. We therefore deny the FHA's waiver request and as noted earlier, instead direct the FHA to conduct a new procurement for the Executive Director's position.

We understand the importance of having a permanent Executive Director in place, especially with the FHA's recent Substandard score under the Public Housing Assessment Sub-system (PHAS). However, we certainly cannot support a waiver when the FHA has failed to follow HUD requirements in conducting its procurement and when there is an ample pool of qualified and interested candidates for this position.

If you have any questions, please call me at [REDACTED]. If you need technical assistance regarding the procurement process the FHA must follow in re-advertising this position, please contact Mr. Suen-Ping Yip at [REDACTED].

Sincerely,

Luigi D'Arcona
Director
Office of Public Housing

CC: Margaret Vincent, Acting Executive Director
Meryl Wenig, Counsel